

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **June 10, 2003**

AGENDA ITEM NO.: 6

CONSENT: **X**

REGULAR:

CLOSED SESSION:
(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: **City of Lynchburg (Fire Department) Rent of Airport Property**

RECOMMENDATION:

Approve an amendment to FY 2003 General Fund and Airport Operating Fund budgets and appropriate \$17,500 to provide for the payment of rent by the City to the Lynchburg Regional Airport for the City's Fire Training Facility located on 25 acres of airport property.

SUMMARY:

Federal Aviation Administration (FAA) regulations governing the use of airport revenues require that an airport sponsor (the City) receive fair market value for all airport property used by tenants. Penalties for non-compliance are severe and include: 1) withholding future grants; 2) withholding amounts under existing grants; 3) withholding approval to impose a Passenger Facility Charge (PFC); and 4) civil penalties of up to \$50,000. A recent independent market analysis of the 25 acres determined the fair market rental value of the Fire Training Facility property to be \$17,500 annually.

PRIOR ACTION(S):

June 3, 2003 Finance Committee

FISCAL IMPACT:

No impact to either the airport's operating budget or the City's General Fund Budget. The additional rent expense by the City will be offset by a reduced operating transfer to the airport. The increased rent income to the airport will be offset by a reduced operating transfer from the City.

CONTACT(S):

Mark F. Courtney 582-1150 extension 222 Airport Manager

ATTACHMENT(S):

1) Resolution

REVIEWED BY: lkp

RESOLUTION

BE IT RESOLVED That Council approves FY 2003 budget amendments to the City's General Fund and the Airport Operating Fund, to allow for a \$17,500 rent payment by the City to the Lynchburg Regional Airport for the 25-acre Fire Training Facility located on airport property with an equal decrease in the annual transfer (subsidy) to the airport by the City.

Introduced:

Adopted:

Certified:

Clerk of Council

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